



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
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<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

June 15, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:  
MARTIN LUTHER KING, JR. MEDICAL CENTER  
INPATIENT TOWER RENOVATION AND  
MULTI-SERVICE AMBULATORY CARE CENTER/ANCILLARY PROJECTS  
APPROVE AND AUTHORIZE DELEGATED AUTHORITY FOR  
VARIOUS CONSULTANT SERVICES AGREEMENTS  
CAPITAL PROJECT NOS. 88945 AND 70947  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

These actions will allow the issuance of Consultant Services Agreements to qualified firms to provide project/construction management and project/document control services for the Inpatient Tower (IPT) Renovation and the new Multi-Service Ambulatory Care Center/Ancillary (MACC/Ancillary) Building Projects at Martin Luther King, Jr. (MLK) Medical Center, to be funded through long-term bonds authorized under the American Recovery and Reinvestment Act (ARRA), and/or exempt lease revenue bonds.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Authorize the Director of Public Works to award and execute a Consultant Services Agreement for project/construction management services for the Inpatient Tower Renovation and the new Multi-Service Ambulatory Care Center/Ancillary Building Projects at Martin Luther King, Jr. Medical Center in an amount not-to-exceed \$10 million.

Board of Supervisors

GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

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2. Authorize the Director of Public Works to award and execute a Consultant Services Agreement for project/document control services for the Inpatient Tower and the new Multi-Service Ambulatory Care Center/Ancillary Building Projects at the MLK Medical Center in an amount not-to-exceed \$5 million.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will allow the Department of Public Works (Public Works) to contract on an expedited basis for project/construction management, and project/document control services in support of the design and construction of the IPT Renovation and the new MACC/Ancillary Building Projects at the MLK Medical Center.

#### **Background**

On November 3, 2009, your Board approved an agreement with HMC Architects (HMC) to prepare plans and specifications for the IPT Renovation Project, and preparation of scoping documents and design-build administration for the new MACC/Ancillary Building Project at the MLK Medical Center.

Procurement of the project/construction management and project/document control will augment the current Public Works project management staff, as well as, enable the commencement of constructability reviews, field investigations, cost estimating, and other services in support of the design of the IPT Renovation and the new MACC/Ancillary Building Projects. The scoping documents for the new MACC/Ancillary Building, and plans and specifications for the IPT Renovation are expected to be completed by August 2010 and December 2010, respectively. Design activities and site investigation are ongoing, and the early stages of make-ready construction are scheduled to begin shortly. Therefore, the requested consultant resources are needed as soon as possible.

Due to the aggressive schedule required to deliver these projects, we are requesting authority from your Board to award and execute these agreements immediately upon completion of the selection process and fee negotiations.

#### **Request for Proposals (RFP) Process**

Firms for each of the two contracts were selected following a standard selection process. Firms developed proposals in response to the requirements of an RFP. A pre-proposal meeting was conducted for each of the RFPs. Oral interviews were conducted with the three most-qualified proposers. The project/construction management and project/document control RFPs encourage proposers to form joint

ventures, and include as members of the joint venture, firms that are certified as Small Business Enterprises.

Each proposal was scored and ranked, based on the requirements outlined below, by an Evaluation Committee comprised of County employees from Public Works, the Department of Health Services (Health Services), and the Chief Executive Office (CEO).

The Evaluation Committee ranked proposals based on scoring the proposals in the following categories: quality and comprehensiveness of proposal, qualifications and experience, standard services and technical approach, and work plan. Proposers were also evaluated on the extent to which they have demonstrated that Small Business Enterprises had been included as a joint venture in the proposal, and the degree to which such entity (ies) would have a meaningful role in the delivery of the services. The highest rated proposer has been invited to negotiate with Public Works concerning the fees and scope of services to be performed under the contract. If Public Works is not able to reach an acceptable agreement with the highest ranked proposer concerning fees and scope of services, Public Works may elect to move to negotiating with the next highest ranked proposer.

The RFPs also anticipated that the selected consultants may be asked to support future Board-approved projects in and around the MLK Campus.

### **Consultant Services Agreements**

#### **Project/Construction Management and Support Services**

The selected project/construction management consultant will be responsible for the strategic planning and management of scope, schedule, and budget throughout the duration of the projects as part of Public Works' project management team. The project/construction management consultant will monitor, coordinate, and evaluate all key project activities. The consultant will prepare monthly project status reports and make strategic recommendations to Public Works in order to ensure optimum scope control, cost and schedule compliance, quality assurance, compliance with technical specifications, and issues tracking with a focus on proactive control, claims avoidance, and mitigation. The consultant will also provide engineering and technical support services, as required, to assist in the management and execution of project activities, such as constructability and/or peer review, quality control inspections, and field engineering investigations. Under optional services, the consultant may be required to provide medical equipment procurement/planning, hazardous material testing, building commissioning, and building information modeling coordinator services. It is expected

that Public Works will complete fee negotiations with the successful proposer in early June 2010.

#### Project/Document Control and Support Services

The selected project/document control consultant will be a part of the project management team by providing all project/document control activities and ensuring that quality products and services are provided to the County. The consultant will provide project administration support, project procedures, document control, issues tracking, meeting minutes, and monthly status reports, as well as project controls such as scheduling and cost estimating. It is expected that Public Works will complete fee negotiations with the successful proposer in early June 2010.

#### Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1), and Children, Family, and Adult Well-Being (Goal 2), by investing in public health infrastructure to enhance the safety of the patients and staff and improving patient care with a new hospital and MACC/Ancillary Building. Completion of these projects will provide much needed improvements to the facility for the residents of the County.

#### FISCAL IMPACT/FINANCING

The IPT Renovation Project is estimated to cost \$208,500,000. The MACC/Ancillary Building Project is estimated to cost \$145,300,000. The combined cost for both projects is estimated at \$353,800,000. The Project Schedule and Budget Summaries are included in the Attachment.

The final negotiated fee to provide project/construction management services, including basic, additional, optional, and reimbursable services shall not exceed \$10,000,000. The final negotiated fee for project/document control services, including basic, additional, optional, and reimbursable services shall not exceed \$5,000,000. The not-to-exceed fees represent 5.8 percent of the combined construction costs for the two projects and are deemed to be reasonable. In comparison, project/construction management and project/document control fees for the LAC+USC Replacement Hospital Project was approximately \$55 million or 11 percent of the construction cost of \$500 million. The project/construction management and project/document control fees the Harbor-UCLA Surgery/Emergency project is \$24 million or 14 percent of the construction cost of \$171 million. Public Works will report back on the final negotiated fees upon execution of the agreements.

The project costs will be financed through the issuance of long-term bonds authorized under ARRA, and/or Tax-Exempt Lease Revenue Bonds.

Recommendations on the par amount of each bond type to be issued will be based on market conditions and discussions with the Treasurer and Tax Collector and presented to your Board for approval prior to implementation of the financing.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The agreements will be in the form previously reviewed and approved as to form by County Counsel. The recommended contracts were being solicited on an open competitive basis and in accordance with applicable Federal, State, and County requirements. The selected consultant's Community Business Enterprises participation data and three-year contracting history will be on file with Public Works

The proposed agreements will contain terms and conditions supporting our Board's ordinances, policies, and programs, including but not limited to, County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN/GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; and the Los Angeles County's Child Support Compliance Program, Los Angeles Code, Chapter 2.200; and the standard Board-directed clauses that provide for contract termination or renegotiation.

### **ENVIRONMENTAL DOCUMENTATION**

Approval of the recommended actions will have no impact on the environment. In August 2009, your Board found the IPT Renovation Project to be categorically exempt from the California Environmental Quality Act (CEQA). For the new MACC/Ancillary Building Project, the CEO authorized Sapphos Environmental to proceed with the preparation of an Environmental Impact Report/Environmental Impact Statement. We will return to your Board for consideration of the Environmental Impact Report/Environmental Impact Statement at such time as approval of the latter project is requested.

## **CONTRACTING PROCESS**

### **Project/Construction Management and Support Services**

Public Works issued an RFP on February 22, 2010. On March 2, 2010, a pre-proposal meeting was held. Proposals were received on March 22, 2010. An Evaluation Committee consisting of representatives from CEO, Health Services, and Public Works was formed and has evaluated the proposals.

### **Document Control, Project Control, and Support Services**

Public Works issued an RFP on March 2, 2010. On March 9, 2010, a preproposal meeting was held. Proposals were received on March 31, 2010. An Evaluation Committee consisting of representatives from CEO, Health Services, and Public Works was formed and has evaluated the proposals.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

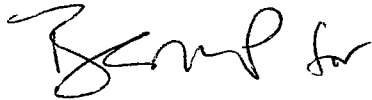
The award of these consultant agreements will have no impact to the current operations of the existing MACC. Public Works will work with Health Services' staff to identify operational impacts and develop specific construction strategies to minimize impacts to patient care and the facility during construction. The existing MACC will remain fully operational throughout construction of the IPT Renovation and new MACC/Ancillary Buildings, and the work will be implemented in phases in order to reduce disruption to the current outpatient services.

The Honorable Board of Supervisors  
June 15, 2010  
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**CONCLUSION**

Please return one adopted copy of this letter to the Chief Executive Office, Capital Projects Division; and Public Works, Project Management Division I.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:GF:SK  
DJT:SW:zu

Attachment

- c: Executive Office, Board of Supervisors
- County Counsel
- Arts Commission
- Department of Health Services (Capital Projects Division)
- Department of Public Social Services (GAIN/GROW Program)
- Department of Public Works
- Office of Affirmative Action Compliance

June 15, 2010

**ATTACHMENT**

**DEPARTMENT OF PUBLIC WORKS:  
MARTIN LUTHER KING, JR. MEDICAL CENTER  
INPATIENT TOWER RENOVATION AND  
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CAPITAL PROJECT NOS. 88945 AND 70947**

**I. Proposed Project Schedule**

<b>Project Activity</b>	<b>Board Approved Completion Dates 11/3/09</b>	<b>Revised Completion Dates</b>
<b>C.P. NO. 88945</b>		
<b>MAKE-READY</b>		
Programming	09/18/2009	09/18/2009
Design	09/01/2010	04/29/2010
Jurisdictional Agency Approval	11/31/2010	07/27/2010
Construction Bid and Award (JOC)	01/31/2011	08/19/2010
Construction		
Substantial Completion	04/28/2011	11/01/2010
Acceptance	06/28/2011	12/16/2010
<b>INPATIENT TOWER RENOVATION AND SUPPORT SPACE</b>		
Programming	09/18/2009	09/18/2009
Design	03/31/2011	03/31/2011
Jurisdictional Agency Approval	06/31/2011	06/31/2011
Construction Bid and Award (D-B-B)	06/31/2011	06/31/2011
Construction		
Substantial Completion	03/14/2013	12/31/2012
Acceptance	05/28/2013	05/28/2013
Building Occupancy	07/30/2013	06/30/2013
<b>C.P. NO. 70947</b>		
<b>NEW MACC/ANCILLARY AND SUPPORT SPACE</b>		
Environmental Impact Report	10/31/2010	10/31/2010
Programming	09/18/2009	09/18/2009
Scoping Design	07/31/2010	07/31/2010
Award Design-Build	01/31/2011	01/31/2011
Jurisdictional Agency Approval	By Design Builder	By Design Builder
Construction Bid and Award (D-B)	N/A	N/A
Construction		
Substantial Completion	04/30/2013	04/30/2013
Acceptance	10/30/2013	10/30/2013
Building Occupancy	01/30/2014	01/30/2014



**I. PROJECT BUDGET SUMMARY INPATIENT TOWER RENOVATION AND MAKE-READY (C.P. NO. 88945)**

Budget Category	Board Approved Budget	Impact of this Action	Current Project Budget
Land Acquisition	\$ 0	\$ 0	\$ 0
Construction			
Low Bid Construction Contract		\$ 0	\$137,600,00
Job Order Contract		0	0
Change Orders	\$137,600,000	0	8,300,000
Departmental Crafts	8,300,000	0	21,200,000
Construction Consultants	21,200,000	0	0
Telecomm Equip - Affixed to Building	0	0	0
Civic Arts	0	0	0
	0	\$ 0	0
	0		\$167,100,00
Subtotal	\$167,100,000		0
Programming/ Development	\$ 0	\$ 0	\$ 0
Plans and Specifications			
Architect/Engineer Fee	\$15,628,000	\$ 0	\$15,628,000
Design Contingency	1,500,000	\$ 0	1,500,000
Subtotal	\$17,128,000	\$ 0	\$17,128,000
Consultant Services			
Site Planning	\$ 0	\$ 0	\$ 0
Hazardous Materials	150,000	0	150,000
Geotech/Soils Report and Soils Testing	200,000	0	200,000
Material Testing	550,000	0	550,000
Cost Estimating	200,000	(200,000)	0
Inspection Services	1,500,000	0	1,500,000
Topographic Surveys	0	0	0
Construction Management	7,200,000	(1,550,000)	5,650,000
Document and Project Controls	0	3,000,000	3,000,000
Labor/Outreach/Local Worker Hiring Program	0	500,000	500,000
Environmental	0	0	0
Move Management (Move Manager Only)	200,000	0	200,000
Equipment Planning	0	0	0
Contract/Change Order	0	0	0
Subtotal	\$10,000,000	\$1,750,000	\$ 11,750,000
Miscellaneous Expenditures	\$ 300,000	\$ 0	\$300,000
Jurisdictional Review/Plan Check/Permit	\$ 2,900,000	\$ 0	\$ 2,900,000
County Services			
Code Compliance Inspection		\$ 0	\$ 250,000
Quality Control Inspection	\$ 250,000	(250,000)	0
Design Review	250,000	0	200,000
Design Services	200,000	0	0
Contract Administration	0	0	500,000
Project Management	500,000	0	2,800,000
Project Management Support Services	2,800,000	(1,500,000)	2,672,000
ISD Job Order Contract Management	4,172,000	0	0
DPW Job Order Contract Management	0	0	200,000
ISD ITS Communications	200,000	0	1,100,000
Project Technical Support	1,100,000	0	1,400,000
Office of Affirmative Action	1,400,000	0	200,000
County Counsel	200,000	0	0
Other - GMED	0	0	0
Other - Contract Management - LWHP	0	0	0
	0	\$ (1,750,000)	\$
Subtotal	\$11,072,000		9,322,000
<b>TOTAL</b>	<b>\$208,500,000</b>	<b>\$ 0</b>	<b>\$208,500,00</b>

**II. NEW MACC/ANCILLARY (C.P. NO. 70947)**

<b>Budget Category</b>	<b>Board Approved Budget</b>	<b>Impact of this Action</b>	<b>Current Project Budget</b>
Land Acquisition	\$ 0	\$ 0	\$ 0
Construction			
Design-Build Construction Contract	\$110,200,000	\$ 0	\$110,200,000
Job Order Contract	1,000,000	0	1,000,000
Change Orders	10,300,000	0	10,300,000
Departmental Crafts	0	0	0
Construction Consultants	0	0	0
Telecomm Equip - Affixed to Building	0	0	0
Civic Arts	1,000,000	0	1,000,000
Subtotal	\$122,500,000	\$ 0	\$122,500,000
Programming/ Development	\$ 0	\$ 0	\$ 0
Plans and Specifications			
Architect/Engineer Fee	\$ 3,322,000	\$ 0	\$ 3,322,000
Design Contingency	1,178,000	0	1,178,000
Subtotal	\$ 4,500,000	\$ 0	\$ 4,500,000
Consultant Services			
Site Planning	\$ 0	\$ 0	\$ 0
Hazardous Materials	150,000	0	150,000
Geotech/Soils Report and Soils Testing	200,000	0	200,000
Material Testing	1,500,000	(500,000)	1,000,000
Cost Estimating	50,000	(50,000)	0
Inspection Services	500,000	0	500,000
Topographic Surveys	0	0	0
Construction Management	4,100,000	(350,000)	3,750,000
Document and Project Controls	0	2,000,000	2,000,000
Labor/Outreach/Local Worker Hiring Program	0	500,000	500,000
Environmental	700,000	0	700,000
Move Management (Move Manager Only)	100,000	(100,000)	0
Equipment Planning	0	0	0
Contract/Change Order	0	0	0
Subtotal	\$ 7,300,000	\$2,100,000	\$ 9,400,000
Miscellaneous Expenditures	\$ 250,000	\$ 0	\$ 250,000
Jurisdictional Review/Plan Check/Permit	\$ 600,000	\$ 0	\$ 600,000
County Services			
Code Compliance Inspection	\$ 1,000,000	\$ 0	\$ 1,000,000
Quality Control Inspection	500,000	(500,000)	0
Design Review	200,000	0	200,000
Design Services	0	0	0
Contract Administration	300,000	0	300,000
Project Management	2,500,000	0	2,500,000
Project Management Support Services	3,600,000	(1,600,000)	2,000,000
ISD Job Order Contract Management	0	0	0
DPW Job Order Contract Management	100,000	0	100,000
ISD ITS Communications	700,000	0	700,000
Project Technical Support	1,100,000	0	1,100,000
Office of Affirmative Action	150,000	0	150,000
County Counsel	0	0	0
Other - GMED	0	0	0
Other - Contract Management - LWHP	0	0	0
Subtotal	\$ 10,150,000	\$(2,100,000)	\$ 8,050,000
<b>TOTAL</b>	<b>\$145,300,000</b>	<b>\$ 0</b>	<b>\$145,300,000</b>